

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF NEW YORK

----- X Case No. 09-CV-8616 (JGK)

IN RE: SPONGETECH DELIVERY SYSTEMS,  
INC. SECURITIES LITIGATION

----- X

**SUGGESTION OF BANKRUPTCY**

**TO THE COURT, ALL PARTIES AND THEIR ATTORNEYS OF RECORD:**

**PLEASE TAKE NOTICE** that Spongetech Delivery Systems, Inc. (the "Debtor"), a defendant in this case, filed for bankruptcy protection under Chapter 11 of Title 11 of the United States Code (the "Bankruptcy Code") on July 9, 2010 (the "Petition Date"), with the United States Bankruptcy Court for the Southern District of New York (the "Bankruptcy Court"), Case No. 10-13647 (SMB). A copy of Debtor's Voluntary Chapter 11 Petition is attached hereto as **Exhibit A**. Further, on July 19, 2010, the Bankruptcy Court entered an order directing the appointment of Chapter 11 trustee over Debtor. This order is attached hereto as **Exhibit B**.

**PLEASE TAKE FURTHER NOTICE** that pursuant to Section 362 of the Bankruptcy Code, following the Petition Date, no cause of action may be commenced or prosecuted and no judgment may be taken against Debtor with regard to claims or causes of action against Debtor arising prior to the Petition Date. Accordingly, no further prosecution of the above-captioned proceeding against Debtor may occur, and no valid judgment may be entered against Debtor in this case.

Dated: New York, New York

July 20, 2010

Respectfully submitted,

/s/Paul R. Bessette

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**CERTIFICATE OF SERVICE**

I hereby certify that on July 20, 2010, I electronically filed the foregoing with the Clerk of Court using the CM/ECF system which will send a notice of electronic filing to all counsel of record who have consented to electronic notification. I further certify that I sent by email the foregoing document and the notice of electronic filing to all non-CM/ECF participants.

/s/ Paul R. Bessette